

INITIAL STATEMENT OF REASONS

Motor Carrier of Property Permit Program

Article 3.5

In 1996, the Legislature adopted the Motor Carrier of Property Permit Act that transferred the responsibility to administer a Motor Carrier of Property (MCP) Permit Program from the Public Utilities Commission to the Department of Motor Vehicles. Regulations were adopted by the department in April 1998 to implement the program. Within the past four years, new legislation and program changes have necessitated the amendment of approved sections and development of proposed sections in the Motor Carrier regulations.

The department proposes to amend Sections 220.00, 220.02, 220.04, 220.06, 220.08, 220.10, 220.12, 220.16, 220.18, 221.00, 221.02, 221.04, 221.06, 221.08, 221.10, and 221.12 and adopt Sections 220.14 and 220.20 that make specific the requirements to obtain and maintain a MCP permit.

220.00. Definitions.

Section 220.00 defines terms to be used in Sections 220.00 through 221.12 of these regulations. The definitions are necessary to clarify the terms used in regulations, statute and on the MCP forms.

Subdivision 220.00(a) clarifies that administrative costs include the legal support staff that process the documentation for an attorney's determination of legal entitlement to the monies held in the assignment(s). This is necessary to identify the costs for which the department may seek reimbursement from the assignment monies.

Subdivision 220.00(b) defines the term "applicant" to clarify that the party applying as a motor carrier in the Motor Carrier of Property Permit Program must be a business entity to apply. This is necessary to identify the parties eligible for this commercial business program.

Subdivision 220.02(d) adds a definition of the term "business entity." This proposed definition will clarify the various types of recognized businesses identified on the forms and in these regulations.

Subdivisions 220.02(e), (f) and (g) (formerly subdivisions (d), (e) and (f)) contains non-substantive grammatical changes that do not affect the content of the definitions.

Subdivision 220.00(h) adds a definition of the term "individual." As owner-operators and sole proprietors have specific state and federal statutes that pertain to them, a specific term that identifies these classifications is needed.

Subdivision 220.00(i) (formerly (g)) contains non-substantive, grammatical changes that do not affect the content of the definition.

Subdivision 220.00(j) (formerly (h)) amends the definition for the term "licensed to write insurance in this state" as stated in Vehicle Code section 34631 to match the terminology used in the other definitions. This is a non-substantive grammatical change that does not affect the content of the definition.

Subdivision 220.00(k) adds a new definition to define “motor carrier.” This proposed definition identifies who qualifies as a motor carrier as the term is used in this article. As defined in the Vehicle Code, motor carrier refers to any owner of a commercial vehicle. When used in these regulations the term only applies to motor carriers who are or should be participating in the MCP program.

Subdivision 220.00(l) adds a definition of the term “permit term.” The proposed definition clarifies the time frame during which an MCP permit is valid. This is necessary to inform motor carriers that late payment of fees do not extend or reestablish the beginning and ending dates of a permit. This rationale is the same as for the regular vehicle registration renewal time frames.

Subdivision 220.00(m) adds a definition of the term “person.” Where the regulations refer to the term “person,” this term means actual human beings and not business entities. The definition of “person” in the Vehicle Code (section 470) defines the term to include business entities. This definition is necessary to clarify for the motor carriers the meaning of the word in these regulations.

220.02. Application for a Motor Carrier of Property Permit.

Section 220.02 specifies the requirements for the initial application to the program that must be completed before operating authority and a permit are issued.

Subdivision 220.02(a) is amended to require an application to be signed as well as completed and certified. The subdivision also identifies the complete name of the application form. This is necessary so that the applicant completes the correct form and submits a signed form for the program.

Subdivision 220.02(b) is amended to identify one of the conditions that requires a new application form, and clarifies that completing and signing the form is required before the application is processed. By signing the form, the person certifies under penalty of perjury under the laws of the State of California that the information provided is true and correct. The signer is therefore acknowledging the consequences of making false statements and understands the importance of furnishing correct information.

Subdivision 220.02(b)(1) is added to make specific changes to a motor carrier’s form of business entity that require a new application to be completed and signed by a motor carrier. Examples are provided for clarity. This is necessary to ensure that the department is aware of who is/are the motor carrier owner(s).

Subdivision 220.02(c) is amended to inform motor carriers that a new form is required when a motor carrier changes its name. A Notice of Change form, DMV 152 MCP (REV. 8/2002) must be completed, signed and submitted to the department. This is necessary to identify the motor carrier and its owners and officially document a name change. The signer must certify under penalty of perjury under the laws of the State of California that the information is true and correct. This is necessary as the document becomes legal evidence that the signer acknowledges the consequences of making false statements and understands the importance of furnishing correct information.

The Notice of Change form, DMV 152 MCP (REV. 8/2002) is incorporated by reference in the regulations. The following describes the form and rationale for the information

required on the form. The box on the right hand side at the top of the form is for a motor carrier identification number that is issued by the California Highway Patrol. The identification number is a quick reference to correctly identify the MCP file. The box on the left hand side at the top of the form is for the use of the MCP program.

The next section consists of three (3) boxes with the corresponding types of changes that can be processed by completing and signing the form. The first box is a change of (motor carrier) name, the second box/change is a change of address and the third box/change is adding and deleting a DBA (Doing Business As). As stated on the form, these changes can be processed with this form as long as the motor carrier remains the same business entity with no change in ownership. This form is necessary to document the official change authorized by the motor carrier for the department. All portions of Section A are to be completed with any of the three changes. This information includes the business name of the motor carrier, the physical and mailing addresses of the business, (including the street number, street, city, county, state and zip code) and mailing address, if different from the physical address. This information is required to properly identify the motor carrier and correctly process the indicated change for the appropriate motor carrier.

Only the portion that applies to the requested change being reported on the form is to be completed in Section B. A name change requires the first line in Section B to be completed by providing the new name of the motor carrier. A physical address change requires the second line in Section B to be completed by providing the complete address, including the street number, street name, city, county, state and zip code. That change also includes requires providing a new telephone number, if appropriate. A mailing address change, if different from the physical address, requires the third line in Section B to be completed by providing the complete mailing address, including the street address, street name, city, county, state and zip code. The telephone number is to be included should it be appropriate. A DBA add requires the first part of the fourth line to be completed by providing the DBA name to be added. A DBA delete requires the second part of the fourth line to be completed by providing the DBA name to be deleted. This information is necessary to complete the designated change checked by the person authorizing the change. The signer also certifies under penalty of perjury under the laws of the State of California that the information is true and correct. This is necessary as the document becomes legal evidence that the signer acknowledges the consequences of making false statements and understands the importance of furnishing correct information.

Any of the three (3) changes requires the signature of a designated representative for the motor carrier. This is necessary to identify the person authorizing the change for the motor carrier.

Subdivision 220.02(d) is added to inform motor carriers that a change in the motor carrier's physical or mailing address requires a completed and signed Notice of Change form, indicating a change of address within ten (10) days of the change. This information is required to document an official change to a motor carrier and for the department to remain in contact with the motor carrier.

Subdivision 220.02(e) is added to inform a motor carrier that an addition or deletion of "DBA" name shall require a completed and signed Notice of Change form to be submitted to the department.

Subdivision 220.02 (f) (formerly subdivision (d)) is amended to add the term “motor” to the term “vehicle.” Changes in California law require commercial trailers to be registered separately from commercial, powered vehicles. Adding “motor” further specifies the type of vehicle discussed in the regulation subdivision.

Subdivision 220.02(g) (formerly subdivision(e)) is amended to change the time frame from seven (7) days to ten (10) days for the department to notify an applicant in writing that an application is complete or deficient. The time change gives the program adequate time to process the additional applications required for the documentation of motor carrier’s business changes.

§220.04. Expiration and Renewal of a Motor Carrier Permit.

Subdivision 220.04(a) is amended to identify the new MCP renewal application forms [DMV 134 MCP-I, DMV 134 MCP-P, DMV 134 MCP-L, DMV 134 MCP-LC, or DMV 134 MCP-C (REV. 12/2000)]. The forms are incorporated by reference. Each motor carrier has a renewal form based on their type of business entity. This helps a motor carrier to avoid confusion as to which sections should be completed on the form. This was a problem when the initial application form, (DMV 706 MCP) was also the renewal form. The subdivision is also amended to delete the reference to the expiration date when completing a renewal application.

The process to reactive a MCP permit was not implemented and therefore the reference to the process is being deleted. This is necessary to provide motor carriers with correct information about the MCP program and renewal process.

DMV 134 MCP RENEWAL FORMS

There are five (5) different versions of the renewal form. Each version is based on the motor carrier’s business entity. The five (5) versions are: Individuals or Sole Proprietors, General Partnerships, Limited Partnerships, Limited Liability Companies, and Corporations. These computer-generated forms are sent to the motor carrier with a list of the prior year’s motor vehicles identified by the motor carrier.

The forms differ only in Part 1. The motor carriers that are individuals or sole proprietors are required to provide his or her full name (first, middle and last name), driver license number, the state that issued the license, and the name and telephone number for the authorized representative that will interact with the department and provide the paperwork for compliance with the program. Part 1 for the General Partnerships, Limited Partnerships and Limited Liability Companies requires the motor carriers to provide the same information. The motor carriers that are general partnerships, limited partnerships and limited liability companies are required to provide the name of the partnership and general or managing partner and that person’s title within the partnership, the federal (EIN) number and the name and telephone number of the authorized representative that will interact with the department and provide the paperwork for compliance with the program. The names of all partners are also required in Part 1. Part 1 for the motor carriers that are corporations requires the name of the corporation as registered with the California Secretary of State, the corporation number issued by the California Secretary of State, name of the principal officer and his or her title, the federal (EIN) number, the state and date where the motor carrier incorporated, and the name and telephone number for the authorized representative

that will interact with the department and provide the paperwork for compliance with the program. The names of all corporate officers are required in Part 1. The information required in Part 1 by all types of business entities is required to verify that the motor carrier is still the same business entity that applied with the initial application.

Part 2 requires motor carriers to provide the subsidiary names that the motor carrier may use in addition to the name identified in Part 1. Motor carriers are required to identify trade names and DBA (Doing Business As) names. This is necessary to identify the applicant renewing the permit. This will allow the department and CHP to correctly identify, track and monitor motor carriers and their vehicles for compliance with program and statutory requirements. Part 3 asks for the principal place of business. This is necessary to identify the primary location where operation and compliance documents are held in order for the CHP to conduct the review and monitor statutorily required records. Part 4 identifies the specific transportation activities that apply to a motor carrier's operations. Motor carriers routinely change the types of transportation activities they are involved in based on their customers' business needs. This information serves as a cross check to verify that the appropriate level of insurance is being maintained by the motor carrier and allows the CHP to access the information from our database as part of its law enforcement tools.

The first two boxes in Part 4 identify governmental activities that require special enforcement handling by the CHP that must be readily identifiable on the department's database. The remainder of the boxes correspond with specific levels of insurance required by the motor carrier's vehicle operations. The boxes also identify for the CHP what program(s) a motor carrier must be enrolled in, what permits may be required and a placard that may be required. Part 5 requires motor carriers to provide the types of vehicles used to operate the motor carrier's transportation activities. This information determines if the motor carrier qualifies for the Motor Carrier of Property Permit Program and/or the Biennial Inspection of Terminals (BIT) Program enforced by the CHP. Vehicle Code section 34601 defines the term "motor carrier of property" and describes the vehicle types or operations that are excluded from the permit program. The boxes identify the various types of vehicles that are described in statute for these programs. Part 6 requires motor carriers to provide the department with the identity of any other operating authority used to operate the motor carrier's vehicles. This is necessary to determine if the motor carrier is operating under the correct authority for both interstate and intrastate vehicles. Part 6 also requires the motor carrier to provide the total interstate and intrastate miles that the motor carrier operates. This is necessary to identify fees due the department, as statute requires fees for vehicles operated in California.

Part 7 requires motor carriers to indicate if the motor carrier operates as "for hire" or "private." This information is necessary as each has a different fee schedule used to calculate the fees due the department. The fee schedules are listed on the back page of the renewal application form.

Part 7 requires motor carriers to annually list the number of vehicles operated under the authority of the MCP permit and identify each motor vehicle by license plate, the state that issued the license plate and the vehicle identification number (VIN). This information is required to verify the payment of fees for each vehicle and to meet the statutory requirement in Section 34632 of the Vehicle Code. Part 8 requires motor carriers to provide information about the motor carrier's liability and Workers' Compensation insurance. Vehicle Code

section 34631 requires motor carriers to provide proof of financial responsibility. This information verifies the motor carrier's compliance with the Vehicle Code. Vehicle Code section 34640 requires motor carriers to provide specific evidence of Workers' Compensation insurance or qualification for an exemption to the statute's requirement. This section provides motor carriers with a simplified version of the initial application process that allows the department to verify compliance.

Part 9 requires motor carriers with fleets of twenty (20) or more commercial motor vehicles to report the number of employees, including contract employees (such as owner-operators) for the last permit period. Section 34633 of the Vehicle Code requires the number of employees, classification and gross annual salary of each employee, including owner-operators, for each permit period. This part of the form provides an efficient method to report the required information. Part 10 requires motor carriers to certify under penalty of perjury under the laws of the State of California the accuracy of the information provided on the renewal application form. The certification also emphasizes the seriousness of knowingly falsifying information. It allows the department to follow a prescribed legal course of action should perjury be committed. The signature and date of the person signing the renewal application form is necessary to establish a legal basis for holding the person, and thus the motor carrier, accountable for the information provided.

The last page of the renewal application form provides the fee schedule and a worksheet to allow motor carriers to quickly and easily compute the fees due to the department. The first part of the last page asks for the CA number assigned by the CHP. This is necessary to identify the motor carrier as this page is detached from the application upon receipt by the department to speed processing of the renewal application. The second part of the last page requires motor carriers to calculate the fees due to the department as required by Section 7236 of the Revenue and Taxation Code. The numbers used in this calculation correspond to the information provided in the various parts of the renewal application form and the fee charts at the bottom of the page. This page is necessary to inform the motor carriers of the statutory fees.

Subdivision 220.04(b) is added to inform a motor carrier that a renewal date established for a permit remains the same throughout the lifetime of the permit authority except under specific conditions. An inequity in the time frames for maximum renewal permit terms between motor carriers based upon payment of fees prompted the department to clarify permit term time frames. This subdivision is necessary to clarify the policy that requires the permit term to remain constant. This does not apply when a motor carrier withdraws from the program and then reapplies at a later date.

Subdivision 220.04(c) is added to inform a motor carrier of the maximum length of a permit term. Occasionally, motor carriers try to extend the renewal period by not submitting all of the renewal requirements prior to the end of a permit term. To eliminate an inequity in the time frames for maximum renewal permit terms, the department has established a limit of 12 months or less for terms of seasonal permits. This time frame corresponds to the full permit term used by the MCP program and general registration.

§220.06. Motor Carrier Financial Responsibility.

Subdivision 220.06(a) is amended to inform motor carriers of the revision dates for the forms to verify compliance with the three acceptable methods financial responsibility, pursuant to Vehicle Code Section 34630. This is necessary to ensure that motor carriers, who are required to use this form, are aware of and use the correct form.

The following forms provide the three methods of compliance: Certificate of Insurance form, DMV 65 MCP REV. 6/2001) pursuant to Vehicle Code section 34631(a); or a surety bond, DMV 55 (REV. 8/2002) pursuant to Vehicle Code section 34631(b); or a Certificate of Self-Insurance, [DMV 131 MCP (NEW 4/98)] pursuant to Vehicle Code section 34631(c).

The Certificate of Insurance form contains minor changes related to a statutory change in California's financial responsibility laws. Boxes were added in the status box in the upper right hand corner to include the surplus line broker identification name, and to identify charitable risk pool participants who are now eligible based on recent legislation. This information is required to verify the motor carrier's compliance with California's financial responsibility laws.

The surety bond has been sent to the Attorney General's office for approval and filing with the Secretary of State. The official notification will be incorporated in the rulemaking file.

The Certificate of Self-Insurance was reformatted to allow two permits to be printed on a single piece of paper. The revision created no change to the document's content.

Subdivision 220.06(a)(1) is added to require a motor carrier's insurance provider to submit the completed Certificate of Insurance form for the motor carrier. This is necessary to ensure the validity of the insurance document that is sent to the department.

Subdivision 220.06(a)(2) is amended and renumbered. A non-substantive grammatical change was also made.

Subdivision 220.06(a)(3) is amended and renumbered. Non-substantive grammatical changes were also made. The reference to the initial application, Part 1 that was changed to Part 2, reflects a non-substantive change to the application. That change required a new revision date for the form. This is necessary to ensure that motor carriers, who are required to use this form, are aware of and use the correct form, that the instructions in the regulations match the form and are understood by the motor carriers.

Subdivisions 220.06(b) and (b)(1) are amended to identify the latest revision date for the Liability Insurance Policy Endorsement form, DMV 67 MCP (REV. 6/2001). A non-substantive grammatical change was also made and a statement related to different version of the form is deleted as unnecessary. This is necessary to ensure that motor carriers, who are required to use this form, are aware of and use the correct form.

Changes to the form are as follows: An additional box in the "Insurer" box in the upper left hand corner is added to include identification numbers other than NAIC numbers. Two additional boxes in the "Status" box in the upper right hand corner are added to provide the name of a surplus line broker and/or to identify a Charitable Risk Pool insurer. Changes to this form were required to implement statutory changes to California's financial responsibility laws.

Subdivision 220.06(c) is amended to identify the latest revision date for the Notice of Cancellation of Insurance form, DMV 716 MCP (REV. 6/2001). This is necessary to ensure that motor carriers, who are required to use this form, are aware of and use the correct form. Non-substantive grammatical changes were made to the form and the subdivision.

§220.08. Verification of Vehicles Used by Motor Carriers.

Subdivision (a) is amended to include the term “motor” with the term “vehicle.” California law has changed and commercial trailers above a certain weight are no longer required to be registered. Adding the term “motor” provides consistency with the new law.

The terms “upon original application” and “and reinstatement” are added to clarify the conditions when a list is required. The term “reactivation” has been deleted because that process was never implemented into the program and is therefore unnecessary. The word “period” has been changed to “term” to correspond with the new definition and provide consistent language in the regulations.

Subdivision (b) is amended to inform motor carriers when a motor vehicle is to be included into the vehicle verification list. This is necessary to inform the motor carrier that all vehicles operating under permit authority must be included on the list.

Subdivision (b)(1) is added to clarify the conditions when a vehicle is to be included on the vehicle verification list. This is necessary to specify for the motor carriers which motor vehicles are required in the statutorily mandated vehicle verification list.

§220.10. Motor Carriers’ Employees.

Subdivision (a) is amended to delete the term “reinstatement” when a motor carrier is required to submit the annual report of employees and owner-operator. This is necessary to inform motor carriers that this statutorily mandated report is only required annually and is therefore due with the renewal only. Other changes are non-substantive and merely clarify the regulatory language.

Subdivision (b) is amended to contain wording originally in subdivision (a), now re-numbered as a separate subdivision to specifically list the employee classifications required in the statutorily mandated annual employee report. This is necessary to inform motor carriers of the department’s definition of employee classifications and compensation as required in Vehicle Code section 34633.

Subdivision (c) contains wording originally designated as subdivision (b). There is no substantive change to subdivision (c).

§220.12. Owner-Operators.

Subdivision (a) is amended to add a non-substantive grammatical change.

Subdivision (b)(1) is amended for a grammatical change and to revise a reference to a Vehicle Code section due to a statutory change. This is necessary to clarify the language and properly reference the pertinent Vehicle Code section.

Subdivision (b)(2) is amended for a grammatical change and to revise a reference to a Vehicle Code section due to a statutory change. This is necessary to clarify the language and properly reference the pertinent Vehicle Code section. The second sentence is amended to delete the terms “driving” and “defined” and add the terms “operating” and “identified” for consistency with subdivision (b)(1). All other changes to this subdivision are non-substantive grammatical changes.

§220.14. Reinstatement Fee.

New Section 220.14 is added to clarify when a reinstatement fee is due and thus provide motor carriers with a fast and efficient means to regain permit authority.

§220.16. Workers’ Compensation.

Section 220.14 of these regulations is renumbered as Section 220.16 to allow a new section topic (Reinstatement Fee) to be added in Section 220.14. Renumbering allows a more logical progression of the section topics in Article 3.5.

Subdivision (a) is amended to specify the form names and provide the latest revision dates for the acceptable evidence of compliance with the workers’ compensation requirements. The Certificate of Insurance form [DMV 65 MCP (REV. 6/2001)] is discussed in Section 220.06 of this document. The Workers Compensation letter is provided by State Compensation Insurance Fund and is not under the control of this department.

Subdivision (b) is amended to specify the application form name for MCP permit applicants that do not employ any persons. This is necessary to inform motor carriers of the correct form that meets the department’s requirements. All other changes to this subdivision are non-substantive grammatical changes or provide standardize terminology that matches other sections of these regulations.

Subdivision (c) is amended to standardize the terminology used in the other sections of these regulations and for non-substantive grammatical changes. This is necessary for consistency.

Subdivision (d) is amended to specify the form names and current revision dates required for notification of the department of cancellation of workers compensation insurance. This is necessary to inform motor carriers of the department’s requirements for cancellation.

§220.18. Voluntary Withdrawal.

Section 220.16 of these regulations is amended and renumbered as Section 220.18 to allow a more logical progression of the section topics in Article 3.5.

Subdivision (a) is amended to require motor carriers to submit a specific written request to voluntarily withdraw from the MCP Permit Program. Previously a motor carrier could use an alternative method to inform the department that the motor carrier was no longer going to operate under permit authority. This is necessary to inform the motor carrier of the method to cancel permit authority and properly document the cancellation. The form name change is consistent with the actual form and revision date. The only change to the form was the addition of the two boxes located in the upper corners of the form. The right hand box is for the motor carrier to insert the motor carrier permit number and the left hand box is to be completed by Motor Carrier of Property departmental staff. All other changes in subdivision (a) are non-substantive grammatical changes for consistency with the language in the other section of these regulations.

§220.20. Seasonal Operations.

Subdivision (a) is added to inform motor carriers of the department's interpretation of the length of a seasonal permit term. This is necessary to provide consistency for the length of the permit term for all motor carriers and still meet the requirements in Revenue and Taxation Code section 7236(a)(3).

Subdivision (a)(1) is added to inform motor carriers that the months of operational use with a seasonal permit do not have to be consecutive. This is necessary to clarify for motor carriers when a seasonal permit term starts and ends as statute does not address this aspect of the permit term.

CERTIFICATE OF SELF INSURANCE

§221.00. Requirements to Self-Insure.

The qualifications as a self-insurer have not changed but are merely clarified.

Subdivision 221.00(a) is amended to identify the application form by name. Other minor changes are made in the language for clarity and consistency.

Subdivision (b) is amended to identify the latest revision of the Assignment to the Department of Motor Vehicles form, DMV 133 MCP (REV. 8/2002). This is necessary to inform motor carriers of the correct form to meet the department's requirements. The form changes include: adding the department's Motor Carrier Permit Branch telephone number; correction of the referenced section in Title 13 of the California Code of Regulations; adding credit unions to the type of financial institutions where the deposits are to be kept; deleting "federally," as not all the monies are federally insured; and deleting the first two digits for the last century (19_) as the year date prompt.

Subdivision (c) is amended to identify the latest revision date of the initial application form. This changes incorporated in this form revision have been discussed in Section 220.02 of this document. This is necessary to inform motor carriers of the correct form to meet the department's requirements.

§221.02. Application to Self-Insure.

The title is amended to clarify that this subdivision is about the self-insurance application only.

Subdivision 221.02(a) is amended to include the latest revision of the Certificate of Self Insurance. The changes to the form have been described in Section 220.06 of the document. The Application for a Certificate of Self Insurance form DMV 130 MCP (NEW 4/98), reviewed by the department to determine if a motor carrier is qualified to self-insure, was amended. This is necessary to inform motor carriers of the correct form to meet the department's requirements. The requested information was reconfigured and reduced to one page, with information requested on the form deleted when that information is already requested from a motor carrier on other forms. No additional information is being requested on this form.

Subdivision 221.00 (d), paragraphs (1) and (2) are amended to identify the correct name of the Act that established the Motor Carrier of Property Permit Program.

§221.04. Assignment.

Subdivision (a) is amended to clarify that the deposited monies may be kept in more than one financial institution and that the money can be combined to reach the maximum amount required for a motor carrier to be self-insured.

Subdivision (b) is amended to identify the current version of the Assignment for a Motor Carrier of Property Certificate of Self-Insurance form. The revisions to this form have been discussed in Section 221.00 of this document. This is necessary to inform motor carriers of the correct form to meet the department's requirements.

Subdivision (d) is amended to identify acceptable saving associations and credit unions. Originally, the regulation language referred to the Federal Deposit Insurance Corporation only, but credit unions and savings associations are governed by different governmental oversight institutions, therefore those institutions are also included. This is necessary to identify all of the financial institution options that are allowed to ensure that the money will be guaranteed and available should the department be required to disburse the funds. All the financial institutions are to be located in California to allow service of process.

Subdivision (e) is amended to clarify the steps that an applicant's financial institution is required to make to process an assignment form. This is necessary to ensure that the form is legally sound and the financial institution legally required to place a hold on the monies for the department. The form revision has been discussed in Section 221.00 of this document. This is necessary to inform motor carriers of the correct form to meet the department's requirements.

§221.06. Issuance of the Certificate of Self-Insurance.

Subdivision 221.06(a) is amended to identify the current revision of the Certificate of Self Insurance form. This form has been discussed in Section 220.06 of this document. This is necessary to inform motor carriers of the correct form to meet the department's requirements.

§221.08. Cancellation of the Certificate of Self-Insurance.

Subdivision 221.08(a) is amended to identify the current revision of the Certificate of Self-Insurance form. This form has been discussed in Section 220.06 of this document. This is necessary to inform motor carriers of the correct form to meet the department's requirements. The subdivision also clarifies that the cancellation of the certificate of self-insurance for the MCP permit program will be initiated by the department for specified reasons. This is necessary to inform motor carriers of the consequences of certain actions.

Subdivision (a)(1) is amended to reference the correct section that identifies the requirement to obtain a self-insurance certificate. This is necessary to inform motor carriers of the requirements and where requirements are located in the regulations.

Subdivision (b) is amended to make non-substantive grammatical changes.

§221.10. Disbursement of Assignment.

Subdivision 221.10(b)(3) is amended for consistency. Section 221.10(a) of these regulations uses the term "administrative costs" and the definition in Section 220.00 of these regulations defines administrative costs as including attorney fees. This subdivision is also amended to make non-substantive grammatical changes.

§221.12. Termination of Assignment.

Subdivision 221.12(a) is amended to identify the current revision of the Request to Terminate Self Insurance form, DMV 132 MCP (REV. 3/2001). This is necessary to inform motor carriers of the correct form to meet the department's requirements. The content of the form was not changed. The formatting was changed so that it was consistent with the formatting of other MCP forms with the received date box in the left hand corner and the CA number box in the right hand corner.

The subdivision deletes the phrase "and accepted by the department or Director" as the department does not make a decision on the termination. This is necessary to inform motor carriers of the actual procedures for the termination of assignment.

Subdivision 221.12(b) is amended to require the Director to release any money held by assignment seven years after the termination of the Motor Carrier Permit or an incomplete Motor Carrier Permit application with no activities. The Director may utilize his/her discretion and release the assignment before the seven-year period is complete when he/she is satisfied that there are no outstanding claims and unsatisfied final judgments against the motor carrier or former motor carrier. This change provides the Director with greater leeway in monitoring and processing the termination of assignment. This is necessary to enhance flexibility in releasing the money while still providing reasonable monitoring to ensure that judgment claims are paid.